

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1771-01  
Bill No.: HB 892  
Subject: Entertainment, Sports and Amusements; Contracts and Contractors; Education,  
Higher  
Type: Original  
Date: April 4, 2011

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Bill Summary: This proposal modifies laws relating to student athlete agents.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                         |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) |          |          |          |
|--|----------|----------|----------|
| FUND AFFECTED                                      | FY 2012  | FY 2013  | FY 2014  |
|  |          |          |          |
|  |          |          |          |
| <b>Total Estimated Net Effect on FTE</b>           | <b>0</b> | <b>0</b> | <b>0</b> |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS |            |            |            |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED                       | FY 2012    | FY 2013    | FY 2014    |
| <b>Local Government</b>             | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Corrections (DOC)** assumes the penalty provision component of this bill resulting in potential fiscal impact for DOC, is for up to a class C felony. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

DOC states, if additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in direct offender cost either through incarceration (FY10 average of \$16.397 per offender, per day, or an annual cost of \$5,985 per inmate) or through supervision provided by the Board of Probation and Parole (FY10 average of \$3.92 per offender, per day or an annual cost of \$1,431 per offender).

DOC states, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Seventeen (17) persons would have to be incarcerated per each fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

DOC states, that an increase in incarcerated offenders requiring additional resources will necessitate expenditure beyond the normal and customary direct offender cost. This \$45.09 per diem (FY09 average) or annual \$16,458 cost includes the additional operating outlay of funds to maintain the department and its administrative expenses.

**Oversight** assumes that the conviction and incarceration of only one person would create a minimal fiscal impact of less than \$100,000 annually. Oversight assumes the number convictions and incarcerations as a result of this proposal would be minimal. Any costs related to this proposal could be absorbed by the department.

Officials at the **Office of the Attorney General (AGO)** assumes section 436.273 authorizes the AGO to seek a civil penalty against an athlete agent who violates the act's provisions. AGO assumes costs could be absorbed but may seek additional future appropriation if the proposal results in increased caseload.

**Oversight** assumes if this proposal results in a substantial caseload increase, AGO could request additional funding through the appropriations process.

ASSUMPTION (Continued)

Officials at the **Department of Elementary and Secondary Education(DES)** assumes an unknown income to local governments from an increase in the fine and penalty distributions as a result of this proposal. DES assumes there is no fiscal impact from this proposed legislation on the department.

**Oversight** assumes the income to local governments as a result of this proposal would be minimal.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crime of regarding student athlete agents - first offense is a Class D felony and a second subsequent offense is a Class C felony. The Missouri State Public Defender System is currently operating in a crisis mode with caseloads far in excess of any recognized standard.

SPD states, passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials at **University of Missouri, Northwest Missouri State University, Missouri State, Linn State Technical College, Metropolitan Community College, Missouri Southern State University, Lincoln University, Missouri Western State University, Office of State Courts Administrator, Department of Higher Education, University of Central Missouri, Office of Prosecution Services**, assumes there is no fiscal impact from this proposed legislation

| <u>FISCAL IMPACT - State Government</u> | FY 2012<br>(10 Mo.) | FY 2013    | FY 2014    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2012<br>(10 Mo.) | FY 2013    | FY 2014    |
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

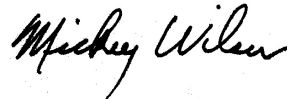
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections  
Office of the Attorney General  
Department of Elementary and Secondary Education  
State Public Defender's Office  
University of Missouri  
Northwest Missouri State University  
Missouri State  
Linn State Technical College  
Metropolitan Community College  
Missouri Southern State University  
Lincoln University  
Missouri Western State University  
Office of State Courts Administrator  
Department of Higher Education  
University of Central Missouri  
Office of Prosecution Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 4, 2011